

(March 13, 2008) Lipinski Calls for Protecting Airline Passengers and Employees in Mergers

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Urges Federal Transportation Secretary and Attorney General to Carefully Examine Airline Mergers

[Washington, D.C.] Today, Congressman Dan Lipinski (D-IL) was joined by Rep. Steven LaTourette (R-OH) and 45 other members of Congress in sending a letter to Attorney General Michael Mukasey and Secretary of Transportation Mary Peters urging careful examination of airline mergers. The letter, which was authored by Rep. Lipinski, highlights several problems stemming from previous airline mergers and requests that the Attorney General and Secretary of Transportation carefully consider the interests of the flying public and airline employees when evaluating any airline consolidations.

“The flying public and airline workers have not been well served by past airline mergers,” said Rep. Lipinski. “These mergers have resulted in more frequent delays and lost luggage as well as fewer choices and higher prices for consumers. Mergers have also hurt airline workers, resulting in lost jobs and pensions. I am asking the Attorney General and the Secretary of Transportation to work with the many Members of Congress concerned about this issue to ensure quality air travel.”

Recent news reports have linked Delta and Northwest airlines in merger talks, and there is speculation that several more mergers could follow. The Attorney General and the Secretary of Transportation will have primary responsibility in examining any merger proposal and ensuring fairness in the air industry.

“The American flying public deserves the best airline service possible, and that means guaranteeing real choices in air travel,” said Rep. Lipinski. “Instead of seeking another round of super-mergers that only benefit Wall Street interests, airlines should be focused on meeting the needs of consumers. I will continue to monitor developments in the airline industry and, if necessary, draft legislation to protect the interests of the flying public. I am hopeful that this letter will prompt the executive branch to responsibly exercise its oversight of any airline mergers.”

In addition to Representatives Lipinski and LaTourette, the other 45 cosigners of the letter include: Neil Abercrombie, Jason Altmire, Joe Baca, Brian Baird, Corrine Brown, Michael Capuano, Russ Carnahan, Steve Cohen, Danny Davis, Peter DeFazio, Lloyd Doggett, Keith Ellison, Sam Farr, Bob Filner, Charles Gonzalez, Al Green, John Hall, Phil Hare, Maurice Hinchey, Mazie Hirono, Tim Holden, Jessie Jackson Jr., Eddie Bernice Johnson, Timothy Johnson, Marcy Kaptur, Zoe Lofgren, Betty McCollum, Thaddeus McCotter, James McGovern, Michael Michaud, Tim Murphy, Grace Napolitano, Eleanor Holmes Norton, Donald Payne, Nick Rahall, Laura Richardson, Lucille Roybal-Allard, Bobby Rush, Tim Ryan, Linda Sanchez, John Shimkus, Hilda Solis, Zachary Space, Betty Sutton, and Timothy Walz.

The text of the letter follows.

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Michael B. Mukasey  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

Mary E. Peters  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Ave, SE  
Washington, DC 20590

Dear Attorney General Mukasey & Secretary Peters:

We are contacting you concerning recent reports of potential consolidations within the airline industry this year. As discussions continue, and as additional consolidations are contemplated, we intend to closely monitor any proposal to scrutinize its potential impact to airline employees and the American flying public. Given the lackluster results of previous consolidations, we are strongly concerned that future mergers could result in diminished service to small and medium size cities, job losses, less competition, higher fares, and fewer options for consumers. This is something our economy cannot afford this year.

As you know, US Airways merged with America West Airlines in 2005. Yet three years later, many outstanding issues are still pending with limited possibilities for resolution. For example, US Airways has not finalized a merger of the work forces of the two airlines, nor has the fleet service operation at the combined carrier been integrated. The failure to merge these groups has resulted in employees at the same airport doing the same job but working under different work rules and receiving dissimilar wages and benefits. These issues have resulted in inefficiencies and have likely contributed to degradation of customer service performance including lost bags and flight delays. We are concerned that such outstanding issues still exist, and examples such as these should be weighed heavily when considering future airline consolidations. This leads us to question how future mergers will result in any net benefits to the public.

We strongly believe that it is vitally important to look at what types of impacts a potential airline merger would have on employees and the American flying public. Given the questions surrounding the impacts from past airline mergers we intend to closely scrutinize any future mergers and consolidations within the airline industry. We would urge you to carefully evaluate consolidation proposals to ensure they are not solely based on corporate interests. Rather, any consolidation must promote and protect the interests of the airline employees and the American flying public.

With the potential of congressional hearings, we certainly look forward to a vigorous and robust debate on this issue. As

the situation develops, we would also be open to the possibility of legislative options that could help protect the public interest while at the same time promote the economic competitiveness of the industry.

Thank you for your time and attention, and we look forward to working with you on this important issue.